

Lake County, Ohio

# Board of Commissioners

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Auditor Galloway

December 13, 2021

As a consequence of the bonuses you awarded, the salary line item within your Real Estate Assessment Fund has been overdrawn. Your action is contrary to law and violates the Ohio Revised Code which provides that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated. Without emergency action by the Board of Commissioners, this would result in a serious violation that can negatively affect the County as a whole.

As a follow-up to the email from Ms. Pennell dated December 3, 2021, the Auditor's Office requested transfers within various payroll related line items. After reviewing it, I asked for additional information on the need for the transfer and received your email regarding one-time bonuses.

After doing my budget analysis of reviewing payroll and payroll related items, I noted that the payroll for December 10, 2021, with the pay ending date of December 4, 2021, was significantly higher. Upon further review, I noted that bonuses were provided to all Auditor's Office employees ranging anywhere from \$250 up to \$2,000. These were made in addition to the previously awarded raises ranging from 2.27% to 57.17% over the past two years for all employees except one which received a 0% increase.

<u>Position</u>	<u>Raise Percentage</u>	<u>Bonus</u>
Chief Deputy Auditor	21.20%	\$2,000.00
Deputy Auditor	21.36%	\$1,500.00
Deputy Auditor	8.71%	\$ 500.00
Deputy Auditor	0.0%	\$1,500.00
Deputy Auditor	20.01%	\$2,000.00
Deputy Auditor	10.20%	\$ 500.00
Weights/Measures Inspector	2.27%	\$ 250.00
Deputy Auditor	15.14%	\$ 750.00
Weights/Measures Inspector	41.82%	\$ 250.00
Appraiser	57.17%	\$1,500.00
Deputy Auditor	16.44%	\$ 500.00

Deputy Auditor	8.84%	\$ 750.00
Deputy Auditor	7.07%	\$ 750.00
Deputy Auditor	55.78%	\$ 750.00
Deputy Auditor	50.18%	\$ 750.00
Deputy Auditor	9.52%	\$1,500.00
Deputy Auditor	14.95%	\$ 750.00
Deputy Auditor	10.53%	\$1,500.00
Deputy Auditor	23.94%	\$ 750.00
Appraiser	2.27%	\$1,500.00
Part-Time Deputy Auditor	0.0%	\$ 750.00

From my understanding, the transfer requested within the General fund would only be needed to support this most recent employee bonus.

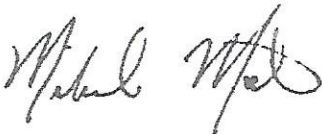
Currently, in the Real Estate Assessment Salaries (26606511-512) line item, there is an over expenditure of current appropriations of \$1,072.04 with one additional payroll still remaining for the remainder of 2021. Based on my review, appropriations are now needed in REA as a result of the additional monies that were provided thus exposing the County to a potential management letter comment. Please let me know if this does not sound correct to you.

Maintaining a tight budget in Lake County has always been in the forefront for the Board of Commissioners; and when appropriations are not used by year end, they lapse. In my time with the County, I can't recall any time that a department requested transfers to provide bonuses from other existing line items within the General Fund.

A collective effort will be needed to ensure long-term fiscal stability for the County. With your support and leadership, we are confident that the County will emerge in a position of responsibly continuing its excellent service to all of the residents of Lake County while maintaining our current revenues.

Looking forward to discussing this matter and working through it for a solution.

Regards,



Michael Matas

Budget/Finance Department